

Retailers' Occupation Tax is measured by gross receipts from retail sales of tangible personal property. See 86 Ill. Adm. Code 130.101. (This is a GIL.)

April 20, 2006

Dear Xxxxx:

This letter is in response to your letter dated May 19, 2005, which has been forwarded to our office for a response, in which you request information. We apologize for the delay in getting a response to you. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.tax.illinois.gov to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

My client is about to pay their first sales tax return for a new business. It is a postal center operating in Chicago. Attached please find a list of the sales departments they offer to the public. Please identify for me which items are sales taxable and which are not. I tried to get this information over the phone and received some conflicting information and therefore would appreciate [sic] a response in writing so we can be absolutely sure we are paying sales tax in accordance with Illinois regulation

Also find attached a copy of the first tax return that is due now. We made some assumption as to sales taxability based on our telephone conversations. Upon your written response we will amend the first return as needed.

DEPARTMENT'S RESPONSE:

Please be advised that the Department's Processing Division prior to your letter being received by our office apparently received the return referred to in your letter request. The gross receipts from retail sales of tangible personal property measure Retailers' Occupation Tax liability. See 86 Ill. Adm. Code 130.101. Similarly, liability for the Service Occupation Tax is contingent upon the transfer of tangible personal property incident to sales of service. See 86 Ill. Adm. Code 140.101 through 109.

Many of the services listed in your letter do not involve the transfer of tangible personal property from the serviceman to the service customer and are not subject to tax. The sale or transfer of the specific items referred to in your request have generally been addressed previously in "Sunshine Letter" rulings issued by the Department. For example, you may wish to review general information letters ST 03-0092-GIL (printing) and ST 05-0055-GIL (packaging materials). You may find these letter rulings by visiting the Department's internet website at the address listed below under the heading of "Laws/Regs/Rulings." In addition, you may want to review Publication 113, Retailer's Overview of Sales and Use Tax, located on the Department's internet website.

I hope this information is helpful. If you require additional information, please visit our website at www.tax.illinois.gov or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Edwin E. Boggess
Associate Counsel

EEB:msk